

Corporation capital increase:

1 - Increase capital by issuing shares in cash.

Using the same method when issuing shares to increase the capital are no par value or par value:

Q (17 A) Corporation Company (AAS) has decided to increase its capital by issuing 10,000 for public subscription at a par value of 4 per share. Issuances price is 10 collections.

Q (17 B) Corporation Company (QA) has decided to increase its capital by issuing 50,000 for public subscription at a par value of 10 per share. Issuances price is 12 collections paid the first payment 40% and the second payment 60%, and premiums paid in full for cash.

2 - Converting surplus reserve, adding to the capital, and issuing shares.

Converting the reserve to increase capital, the accounting entry:

From: surplus reserves a/c ***

To: capital shares a/c ***

(18 A) GGD Corporation decided to increase its capital of \$ 300,000 and the distribution of 300,000 shares with a par value of 10 per share to the shareholders through the conversion of surplus reserves.

3-increase the capital by converting bonds into shares

Accounting entry:

From: loan bonds a/c***

To: capital shares a/c***

Converting bondholders from creditors to shareholders.

(18 B) WWQ Corporation decided to increase its capital of 3,000,000 according to the following:

1-20000 of the reserves.

2-100000 of bondholders.

3 - Issuances 70,000 subscription paid in lump sum 10 par value each per shares